



PART 2A FIRM ADV: FIRM BROCHURE MARCH 23, 2021

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W E S C O T T
FINANCIAL ADVISORY GROUP LLC

This brochure provides information about the qualifications and business practices of Wescott Financial Advisory Group LLC. If you have any questions about the contents of this brochure, please contact Carrie Delgott, Chief Compliance Officer, at 215.979.1600 or cdelgott@wescott.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Wescott Financial Advisory Group LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search the SEC website by a unique identifying number, known as a CRD number. Our firm's CRD number is 105989.

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Item 2 – Material Changes

In this Item, the Firm is required to discuss any material changes that have been made to the brochure since the last annual amendment dated March 30, 2020. Item 14 has been updated to address our participation in Fidelity Wealth Advisor Solutions. There are no material changes to discuss.

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Item 4 – Advisory Business

Firm Description:

Founded in 1987, Wescott Financial Advisory Group is an SEC-registered, fee-only investment advisory and wealth management firm with its principal places of business located in Pennsylvania and Florida. The Firm's clients are high-net-worth individuals, families, trusts, foundations, pension plans, pooled investment vehicles, corporations and other businesses and institutions. The Firm's investment philosophy is a uniquely disciplined, tax-sensitive; opportunistic "open architecture, multi-manager (passive and active management)" approach that has been maintained for over 30 years.

Listed below are the Firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Grant Rawdin;
- Wescott Holding Company LLC. - Wescott Holding Company LLC is the company through which Duane Morris LLP, a law firm, owns its interest in Wescott Financial Advisory Group.

Advisory Services:

Wealth Management Program

The Firm offers ongoing financial planning and investment advice to our clients based upon the individual needs of the client. Through discussion with our clients, we come to understand our client's objectives, goals and individual circumstances. We then develop a client's personal Investment Policy, basing our recommendations and portfolio management upon that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, professional experience and occupation, as well as family situation and background.

Different types of investments involve a variety of risks. We strive to explain the nature of the risks that a client will have in their portfolio. These risks may be in the stock or bond portfolio and may involve the volatility of the portfolio, risk to principal, illiquidity, lack of marketability (the ability to sell an asset at a particular time at a "fair" price) and a host of other risks that every investor faces, but about which an investor should be aware. Our recommendations, then, are based upon our client discussions and analyses.

These recommendations are described in the Investment Policy Statement, which is provided to our clients for their approval before we invest their portfolio. In their Investment Policy Statement, we describe many of the risks and provide a range of losses that a client may experience with the investment objective recommended and that is approved by the client. These loss possibilities are meant to illustrate the volatility of the stock and bond markets.



It is very important that we are aware of changes to a client's situation that might impact our current and future recommendations. There are many actions we take to gather information from clients about these changes. Some of these actions follow:

1. Provide detailed quarterly written reports to each client providing updated specific portfolio performance and asset allocation information, with recommendations for changes, including our Investment Commentary and Outlook;
2. At least annually, contact each client to determine whether there have been any material changes in the client's financial, or personal, situation or investment objectives, and whether the portfolio and investment strategy require adjustments to meet with client wishes and needs;
3. Be reasonably available to consult with the client; and
4. Maintain up-to-date client Investment Policy Statements and amendments in each client's file.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer, or insurance company, and will generally include advice regarding the advisability of owning any of the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Private fund securities
- United States governmental securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other businesses



Use of Independent Managers

The Firm selects, or recommends, certain third party independent managers (“Independent Managers”) to actively manage a portion of its clients’ assets. When selecting or recommending certain Independent Managers, the Firm delegates its authority to the Independent Manager and no separate client agreement is necessary. The firm may provide the client with the Independent Manager’s disclosure brochure.

Certain Independent Managers will set forth the specific terms and conditions under which a client engages an Independent Manager in a separate written agreement with the designated Independent Manager. In those cases, clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

The Firm evaluates a variety of information about Independent Managers, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposure. The Firm may also take into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

The Firm continues to provide services relative to the discretionary or non-discretionary selection, or recommendation, of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers, and seeks to ensure their strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests.

Entrada Management Program

The Firm developed the *Entrada Management Program* to provide investment management services for those clients with investable assets below \$2 million. The Entrada portfolio retains Wescott Financial Advisory Group’s hallmark of a strategic, disciplined and diversified portfolio, blending the advantages of passive investing with active management. Entrada combines Wescott Financial Advisory Group’s investment management service with a coordinated and efficient process of needs assessment, account suitability, account administration, portfolio rebalancing, portfolio reporting and tax optimization.

Financial Planning

We offer financial planning services as part of our Wealth Management Program. Financial planning is a comprehensive evaluation of a client’s current and future financial state. For this comprehensive evaluation, we use currently known information and, what we believe to be, reasonable variables to predict future cash flows, asset values and withdrawal plans.

Through the financial planning process, questions, information and analysis are considered as they impact and are impacted by the entirety of a client’s financial and personal situation. Clients for whom these services are provided receive a written report that provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.



In general, the financial plan may address any or all of the following areas:

- *Personal*: We review family records, budgeting, personal liability, estate information and financial goals.
- *Cash Flow & Tax Planning*: We analyze a client's projected cash flows that considers income from earned income, pensions, retirement plan distributions, and other income from investment portfolios or through other sources. We subtract a client's projected expenses, including projected income taxes, from the income sources to illustrate whether a client is spending more or less than their income. We then project the trend of this annual cash flow pattern to illustrate whether this pattern of spending, in relation to income, may be sustainable for the client's lifetime.
- *Investments*: We analyze investment alternatives and their effect on the client's portfolio.
- *Insurance*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- *Retirement*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *Death & Disability*: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- *Estate*: We assist our clients in assessing and developing long-term estate planning strategies, be they for planning in reducing estate taxes, or to ensure that a client leaves assets in a manner that assures they will be available for heirs in a protected and organized way. Such analysis and recommendations may include: the examination, analysis and recommendation of and for living, irrevocable and testamentary trusts, wills and codicils, durable powers of attorney, asset protection plans, long-term care facility planning and elder law.

Through in-depth personal interviews, we gather required information. The information gathered in these interviews includes, the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report of our financial plan recommendations.

Should the client choose to implement the recommendations contained in the financial plan, we suggest the client work closely with his/her attorney, accountant, insurance agent and other advisors as appropriate. Implementation of financial plan recommendations is entirely at the client's discretion. We are available to our clients to assist them in the implementation of these recommendations.

If a financial plan is contracted for such analysis separately from the plan included in the Wealth Management Program, then the financial plan is generally presented to the client within six months of the contract date.

General Business Planning: We provide business planning advice to individual and corporate clients and will represent clients in financial negotiations, including business acquisitions, sales and mergers. Such consulting services are generally provided at an agreed upon fee that is in addition to our Wealth Management Program fee.



Pension Consulting Services

Wescott also provides advisory services to pension, profit sharing and 401(k) plans. Pension Consulting Services are comprised of three distinct services. Clients may choose to use any, or all, of these services:

Selection of Investment Vehicles and Asset Allocation Models: Wescott assists plan sponsors in constructing appropriate asset allocation models and recommends specific investment vehicles.

Monitoring of Investment Performance: Wescott continuously monitors the performance of recommended investment managers and recommends changes to plan sponsors, as appropriate.

Employee Communications: For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), Wescott provides an annual report covering mutual fund manager performance and annual educational support designed for plan participants. The nature of the topics covered are determined in consultation with plan sponsors under the guidelines established in ERISA Section 404(c). The educational support and investment workshops do not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Trustee Services

Wescott Trust Services provides trust solutions for clients whose financial, family, or business needs require the services of a professional fiduciary. Wescott Trust Services is a trust representative of National Advisors Trust Company, a federally chartered trust company regulated by the Office of the Comptroller of the Currency (OCC), a bureau of the U.S. Treasury Department, and is authorized to do business in all 50 states. Wescott Financial Advisory Group is a shareholder in National Advisors Trust Company (Wescott Financial Advisory Group owns less than .25% of NATC). A conflict of interest exists as a result of this ownership interest.

Assets Under Management

As of March 1, 2021, the Firm managed \$2,440,467,782 in assets, of which \$ 1,725,510,491 was managed on a discretionary basis and \$ 714,957,291 was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Wealth Management Program

The annual fee for the Wealth Management Program and Investment Management Services is charged as a percentage of assets under management, according to the following schedule:

- 1.25% on the first \$2 million
- 1.00% on the next \$3 million
- 0.75% on the next \$2 million
- 0.50% thereafter



A minimum of **\$2,000,000** of assets under management is required for this service. This minimum account size may be negotiable under certain circumstances, but may still be subject to a \$25,000 minimum fee. Wescott Financial Advisory Group may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Fees are billed at the start of engagement and at each subsequent calendar quarter, in advance, based upon the value of the investment portfolio at the end of the prior calendar quarter.

Limited Negotiability of Advisory Fees: Although Wescott Financial Advisory Group has established the aforementioned fee schedule(s), the Firm retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, relationships, and needs are considered in determining the fee schedule. These include the financial complexity of the client circumstances, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the advisor and each client.

Entrada Management Program

The annual fee for the Entrada Management Program is charged as 1.0% of assets under management. A minimum of **\$500,000** of assets under management is required for this service. This minimum account size may be negotiable under certain circumstances, but may still be subject to a \$1,500 minimum fee. Wescott Financial Advisory Group may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Fees are billed at the start of engagement and at each subsequent calendar quarter, in advance, based upon the value of the investment portfolio at the end of the prior calendar quarter.

Pension Consulting Fees

The annual fee for Pension Consulting Services is charged as a percentage of assets under management, according to the following schedule:

- 1.00% on the first \$3 million
- 0.75% on the next \$5 million
- 0.50% on the next \$17 million
- 0.25% thereafter

A minimum of **\$2,000,000** of assets under management is required for this service. The minimum account size and fee may be negotiable under certain circumstances. Plan sponsors are billed at the start of engagement and at each subsequent calendar quarter, in advance, based upon the value of the investment portfolio at the end of the prior calendar quarter. This minimum fee may prevent Wescott Financial Advisory Group from providing services to small ERISA plans.



Financial Planning Fees

Financial Plan fees are based upon hourly rates (currently \$150 - \$750) times the number of hours anticipated to complete the plan. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, the Firm will provide an estimate for the total hours at the start of the advisory relationship. There is a \$7,500 minimum plan fee. Fifty percent (50%) of the plan fee is due at engagement with the balance due at plan completion. In the event a client terminates the financial planning engagement, a full refund of any fees will be provided, if written notice is given within 5 days of engagement. After 5 days from engagement, fees collected will be applied to time spent, with the balance, if any, refunded to the client.

Trustee Services Fees

The annual fee for Trustee Services through Wescott Trust Services is charged as a percentage of assets under management, according to the following schedule:

- 0.55% on the first \$2 million
- 0.50% on the next \$3 million
- 0.35% thereafter

A minimum of **\$800,000** of assets under management is required for this service. Trustee fees are in addition to the investment advisory fees of Wescott Financial Advisory Group.

Discretionary Waiver of Minimum Account Fees

Wescott Financial Advisory Group may, in its sole discretion, elect to waive its minimum fee for any of the aforementioned services based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

General Information

Termination of the Advisory Relationship: A client may terminate the engagement at any time by written notice. Quarterly fees billed in advance are generally deemed earned through the end of the calendar quarter to account for the ongoing time and responsibility for transitioning accounts, portfolio reporting for that final quarter, tax basis reporting, capital gain and loss worksheet reporting and other services that we might provide. Any unearned fees are refunded to the clients.

Additions and Withdrawals: If assets in excess of \$100,000 of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets may be adjusted to reflect the interim change in the portfolio.

Mutual Fund Fees: All fees paid to Wescott Financial Advisory Group for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. Such fees and expenses are described in each fund's prospectus and none are paid to Wescott Financial Advisory Group. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Wescott Financial Advisory Group does not use funds that impose sales charges. A client could invest in a mutual fund directly, without the Firm's services. In that case, the client would not receive the services



provided by the Firm which are designed, among other things, to assist the client in determining which managers, or funds, are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the managers and the Firm to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

Independent Manager Fees: Clients whose assets are allocated to Independent Managers may be charged various program fees, in addition to the advisory fee charged by the Firm. Such fees include the investment advisory fees of the Independent Managers. The Firm will review with clients any fees charged to them by Independent Managers.

Additional Fees and Expenses: In addition to the advisory fees and other expenses described above, clients are also responsible for other costs and expenses, including, without limitation, securities brokerage commissions and other transaction costs, custodial fees, fees attributable to alternative assets, reporting charges, margin costs, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Please refer to Item 12 regarding Wescott Financial Advisory Group's brokerage practices.

ERISA Accounts: Wescott Financial Advisory Group is deemed to be a fiduciary to advisory clients that are employee benefit plans, or individual retirement accounts (IRAs), pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, the Firm is subject to specific duties and obligations under ERISA, and the Internal Revenue Code, that include among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar, higher or lower fees.

Limited Prepayment of Fees: Under no circumstances does the Firm require, or solicit, payment of fees in excess of \$1200 more than six months in advance of services rendered.

Clients generally provide the Firm with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. This authority to debit accounts for payment of investment advisory fees extends to the Independent Managers. Those financial institutions that serve as qualified custodians for client accounts have agreed to send statements to clients, no less than quarterly, detailing all account transactions, including any amounts paid to the Firm.

The Firm generally recommends that clients utilize the brokerage and clearing services of certain financial institutions for investment management accounts as described in more detail in Item 12 below.

Incentive to Recommend the Firm's Services: Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Wescott Financial Advisory Group for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.



Item 6 – Performance-Based Fees and Side-by-Side Management

Not applicable. Wescott Financial Advisory Group does not charge performance-based fees for managing client accounts.

Item 7 – Types of Clients

Wescott Financial Advisory Group provides advisory services to the following types of clients:

- High-net-worth individuals
- Individuals (other than high-net-worth individuals)
- Pension and Profit Sharing Plans (other than plan participants)
- Pooled investment vehicles
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, the Firm has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service. Certain Independent Managers may impose more restrictive account requirements and billing practices from the Firm.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Wescott Financial Advisory Group use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis: The Firm's dedicated Investment Research Group is vigilant in evaluating the composition and performance of its investment allocation models, selected stock and bond managers and other investment vehicles. The Firm takes both a qualitative ("the strategy and discipline of a manager") and quantitative (numeric analysis and rankings) approach.

The Firm constantly analyzes the value of each of our core securities (e.g. separate accounts or mutual funds) by looking at a variety of style, economic, performance and financial factors. These factors include the overall economy, industry conditions, sector characteristics, relevant benchmarks, comparative holdings, the philosophy behind a manager's buying and selling discipline, risk factors, financial condition and overall staffing and management of the investment company itself. This helps us determine and recommend if a selected manager, or security, is performing in a manner consistent with our expectations and the ongoing needs of our clients. A style of "fundamental analysis" does not anticipate market movements by market timing. This presents a potential risk, as the price of a fund or security can move up or down, along with the overall market regardless of the economic and financial factors considered in evaluating the stock.



Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the managers whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, or misleading, information.

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Risk of Loss

Securities investments are not guaranteed and you may lose money on your investments. We require a client to help us understand their tolerance for risk.

Market Risks: Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Wescott Financial Advisory Group's recommendations and/or investment decisions may depend, to a great extent, upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that the Firm will be able to predict these price movements accurately or capitalize on any such assumptions.

Volatility Risks: The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks: The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.



Equity-Related Securities and Instruments: The Firm may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results, or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity. These issuers often face greater business risks.

Fixed Income Securities: Fixed income securities are subject to the risk of the issuer's, or a guarantor's, inability to meet principal and interest payments on its obligations, and to price volatility.

Mutual Funds and ETFs: An investment in a mutual fund, or ETF, involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself, or a broker acting on its behalf. The trading price, at which a share is transacted, is equal to a fund's, stated daily, per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium, or discount, to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at, or near, their most recent NAV, which is generally calculated at least once daily for index based ETFs, and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium, or discount, to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop, or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Master Limited Partnerships (MLPs): Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry. They may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.



Use of Independent Managers

As stated above, Wescott selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Wescott continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Wescott does not have the ability to supervise the Independent Managers on a day-to-day basis.

Underwriting of Certain Due Diligence Expenses

During the course of Wescott research staff's independent due diligence of managers recommended for investment to Wescott clients, there are limited occasions when benefits are provided to Wescott by the manager. These benefits entail direct travel expenses (airfare, hotel and meals) related to attending a manager due diligence conference. A conflict of interest exists as a result of such arrangements, as it provides an incentive for Wescott Financial Advisory Group to recommend such managers that provide such benefits.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal, or disciplinary, events that would be material to your evaluation of Wescott Financial Advisory Group, or the integrity of Wescott Financial Advisory Group's management.

Wescott Financial Advisory Group and our management personnel have no reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

The law firm of Duane Morris LLP has an ownership interest in Wescott Financial Advisory Group. No Wescott client is ever required to engage Duane Morris LLP for legal services, although a referral to Duane Morris LLP may be made for appropriate legal services, if requested. A conflict of interest exists as a result of this recommendation, because of Duane Morris LLP's ownership interest in Wescott Financial Advisory Group. Wescott respects all clients' legal advisor relationships and commonly works with their chosen legal counsel. Duane Morris LLP may refer clients to Wescott for financial planning and investment management services if it believes that it may be appropriate to its client's situation.

An affiliate of Wescott Financial Advisory Group, Wescott Private Equity LLC ("WPE") serves as the general partner of a private equity fund of funds, Wescott Multi-Strategy Private Equity, L.P. ("WMSPE"). One of the investee private equity funds invests in distressed, underperforming, insolvent or reorganizing assets, or businesses, in a variety of industries. Another investee fund participates in the acquisition, development, ownership and operation of real estate projects, primarily community and neighborhood retail centers located in the Northeastern and Mid-Atlantic regions of the United States. Interests in WMSPE are privately offered, pursuant to Regulation D under the Securities Act of 1933, as amended. WMSPE relies on an exemption from registration, under the Investment Company Act of 1940, as amended. Participation as an investor in WMSPE is restricted to investors that are "accredited investors", as defined under Rule 501 of the Securities Act of 1933, as amended.

All relevant information, terms and conditions, relative to an investment in WMSPE, including suitability, risk factors, and potential conflicts of interest, are set forth in the offering documents for WMSPE, which each investor is required to receive, and/or execute, prior to being accepted as an investor in WMSPE. Where



appropriate, Wescott Financial Advisory Group recommends that its eligible clients invest in WMSPE. Wescott Financial Advisory Group has no direct ownership interest in WMSPE, and its clients are not charged fund management fees by WPE when investing in WMSPE. Nonetheless, the Firm has an incentive to recommend an investment in WMSPE to clients because of the desire to promote the success of WMSPE, which provides compensation to WPE.

Wescott Financial Advisory Group, and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships, or engaging in other business activities, even though such activities may involve substantial time and resources of the Firm and our affiliates. Potentially, such activities could be viewed as creating conflicts of interest, in that the time and effort of our management personnel and employees will not be devoted exclusively to our primary advisory practice, but would instead be allocated across a variety of business interests.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Firm has adopted a Code of Ethics, pursuant to Rule 204A-1 of the Investment Advisors Act of 1940, which sets forth high-ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Wescott Financial Advisory Group and our personnel owe a duty of loyalty, fairness and good faith toward our clients. We have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports, that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement), or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Wescott Financial Advisory Group's Code of Ethics further includes the firm's policy prohibiting the use of material, non-public, information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Firm and/or individuals associated with the Firm may buy or sell for their personal accounts securities identical to, or different from, those recommended to our clients.

As these situations represent actual, or potential, conflicts of interest to our clients, we have established the following policies and procedures for implementing the Firm's Code of Ethics, to ensure the Firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of the Firm may put his or her own interest above the interest of an advisory client.



2. No principal or employee of the Firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment, unless the information is also available to the investing public.
3. It is the expressed policy of the Firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. The Firm requires prior approval for any IPO or private placement investments by related persons of the Firm.
5. We maintain a list of all reportable securities holdings for the Firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where the Firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of the Firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to Carrie Delgott, Chief Compliance Officer, at cdelgott@wescott.com, or by calling her at 215-979-1600.

Item 12 – Brokerage Practices

For discretionary clients, Wescott Financial Advisory Group requires clients to provide us with written authority to establish the custodian to use for transactions. Clients must include any limitations on this discretionary authority in the written authority statement. Clients may change, or amend, these limitations as required. Such amendments must be provided to us in writing.

Wescott recommends that clients in the Wealth Management Program utilize National Financial Services LLC, Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"), Pershing Advisor Solutions ("Pershing"), TD Ameritrade ("TD"), Schwab Advisor Services, a division of Charles Schwab & Co. Inc. ("Schwab") (all FINRA registered custodians and members of SIPC), or National Advisors Trust Company ("NAT"), to maintain custody of client's assets and to effect trades for their accounts.



Wescott Financial Advisory Group is independently owned and operated and not affiliated with Schwab, Pershing, TD, or Fidelity. Wescott Financial Advisory Group owns a less than one quarter of 1% interest in National Advisors Trust Company. As a result, a conflict of interest exists when Wescott Financial Advisory Group recommends the services of National Advisory Trust Company because of this ownership interest.

The Firm is committed to ensuring that clients receive best execution with respect to transactions. Factors which the Firm considers in recommending any broker-dealer to clients include, among other things, their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by these financial institutions may be higher or lower than those charged by other financial institutions. The commissions paid by the Firm's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction, occurring where the Firm determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. The Firm seeks competitive rates, but may not necessarily obtain the lowest possible commission rates for client transactions. The Firm periodically and systematically reviews its policies and procedures regarding its recommendation of financial institutions in light of its duty to obtain best execution.

The client may direct the Firm in writing to use a particular financial institution to execute some, or all, transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that financial institution, and the Firm will not seek better execution services or prices from other financial institutions. As a result, the client may pay higher commissions, or other transaction costs, greater spreads transaction costs (i.e., brokerage commissions and spreads), or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Firm may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

The Firm has negotiated institutional commission rates with Fidelity, Pershing, TD, Schwab and National Advisor Trust Company ("Custodian") that we believe to be favorable to our clients. Additionally, it is efficient for our clients to utilize the custody and brokerage services of these firms as our ongoing working relationships insure that issues, which may arise, are promptly and efficiently resolved to the client's benefit.

It should be noted that there is no compensation, direct or indirect, "hard" or "soft", paid to Wescott by the Custodian for customer referrals made to the Custodian. However, certain benefits may be provided by the Custodian if such benefits are directly related to the Custodian. For example, there may be a registration waiver for custodian sponsored conferences, custodian executives or other employees may speak at Firm client events at no fee, and industry training conferences conducted and/or sponsored by the Custodian may be offered at no charge.



The Custodian provides Wescott Financial Advisory Group with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them, as long as a total of at least \$15 million of the Firm's clients' assets are maintained in accounts at the Custodian institutional level. As a result, a conflict of interest exists because these asset thresholds create an incentive for Wescott Financial Advisory Group to recommend the Custodian that imposes such asset thresholds as a condition of receiving certain benefits. Nonetheless, these services are not contingent upon the Firm committing to the Custodian any specific amount of business (assets in custody or trading commissions). The Custodian brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors, or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, the Custodian generally does not charge separately for custody services. but the Custodian is compensated by account holders through commissions and other transaction-related or asset-based fees, for securities trades that are executed through each Custodian, or that settle into the Custodian accounts.

The Custodian also makes available to the Firm other products and services that benefit Wescott Financial Advisory Group, but may not directly benefit our clients' accounts. Many of these products and services may be used to service all, or some substantial number of, our client accounts, including accounts not maintained at each Custodian.

Each Custodian's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

1. Provide access to client account data (such as trade confirmations and account statements);
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
3. Provide research, pricing and other market data;
4. Facilitate payment of our fees from clients' accounts; and
5. Assist with back-office functions, recordkeeping and client reporting.

Each Custodian also offers other services intended to help us manage and further develop our business enterprise. These services may include:

1. Compliance, legal and business consulting;
2. Publications and conferences on practice management and business succession;
3. Access to employee benefits providers, human capital consultants and insurance providers.



Each Custodian may make available, arrange and/or pay third-party vendors for the types of services rendered to Wescott Financial Advisory Group. Each Custodian may discount, or waive, fees it would otherwise charge for some of these services, or pay all, or a part of, the fees of a third-party providing these services to the Firm. Each Custodian may also provide other benefits, such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend, or require, that clients custody their assets at each Custodian, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider, and not solely on the nature, cost or quality of custody and brokerage services provided by each Custodian, which may create a potential conflict of interest.

Item 13 – Review of Accounts

Investment Management Services

REVIEWS: While the underlying securities within Investment Management Services accounts are continually monitored, client accounts and Investment Portfolios are reviewed at least quarterly. Accounts are reviewed for the investment objectives and guidelines of each client's investment strategy and ongoing Wealth Management requirements. More frequent reviews may take place due to material changes in matters such as the client's individual circumstances, or the market, political or economic environment. Changes may be recommended as a result of client requests or needs, manager changes, liquidity needs, model allocation changes, rebalancing or tax considerations.

There are five principal reviewers: Grant Rawdin, Founder and CEO, Susan Green, Director of Financial Planning Standards and Senior Financial Advisor, David Lafferty, Partner and Senior Financial Advisor, Scott Michalek, Partner and Senior Financial Advisor, Stephanie James, Partner and Senior Financial Advisor. Reviews are in accordance with review standards stated above, and serve to ensure that each client's portfolio is invested in a manner consistent with the client's written Investment Policy Statement.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings. These reports remind the client to notify us if there have been changes in the client's financial situation, or investment objectives, and whether the client wishes to impose investment restrictions, or modify existing restrictions.

Pension Consulting Services

REVIEWS: While the underlying securities within Pension Consulting Accounts are continually monitored, Wescott Financial Advisory Group reviews the investment options of the plan at least on a quarterly basis. These accounts are reviewed by Mark McCarron, Principal and Chief Investment Officer or David Lafferty, Partner and Senior Financial Advisor.

REPORTS: Pension Consulting clients will generally receive reports from a custodian, or Third Party Administrator (TPA), as contracted for by the plan administrator. In addition, Wescott provides the Plan Administrator with an annual report covering overall manager performance, general commentary and outlook and information regarding any changes to asset allocation models.



Financial Planning Services

REVIEWS: Financial Planning Reviews and Plan Updates occur at different intervals depending on the evolving needs of the client.

REPORTS: Reports and/or Plan Updates, covering such issues as long-term cash flow, investments, estate and tax planning issues, insurance, retirement and/or charitable giving, are provided as requested and/or recommended to support ongoing wealth management planning.

Item 14 – Client Referrals and Other Compensation

Wescott Financial Advisory Group seeks the referral of clients to our advisory firm. Wescott created Wescott Professional Alliance, a referral program with licensed CPAs and legal professionals, for the purpose of revenue sharing and collaborating.

Participation in Fidelity Wealth Advisor Solutions®. Wescott Financial Advisory Group participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which Wescott Financial Advisory Group receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Wescott Financial Advisory Group is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Wescott Financial Advisory Group, and FPWA has no responsibility or oversight for Wescott Financial Advisory Group’s provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Wescott Financial Advisory Group, and Wescott Financial Advisory Group pays referral fees to FPWA for each referral received based on our assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Wescott Financial Advisory Group does not constitute a recommendation or endorsement by FPWA of our particular investment management services or strategies. More specifically, Wescott Financial Advisory Group pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Wescott Financial Advisory Group has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by Wescott Financial Advisory Group and not the client.



To receive referrals from the WAS Program, Wescott Financial Advisory Group must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Wescott Financial Advisory Group may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Wescott Financial Advisory Group as part of the WAS Program. Under an agreement with FPWA, Wescott Financial Advisory Group has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Wescott Financial Advisory Group has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Wescott Financial Advisory Group's fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Wescott Financial Advisory Group may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Wescott Financial Advisory Group's duty to select brokers on the basis of best execution.

Wescott Financial Advisory Group may refer clients to other service professionals if requested, or deemed necessary, based on the specific needs of the client. For example, Wescott may refer clients to legal counsel or accountants. It is possible that these professionals may, in turn, make referrals of their clients seeking investment advice to Wescott Financial Advisory Group. There is no compensation paid by either party for such referrals.

Wescott Financial Advisory Group does not accept, or allow, our related-persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

In addition, the Firm receives economic benefits from Schwab, Fidelity and Pershing. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15 – Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this brochure that the Firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.



In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements against the information provided on their custodial statements to ensure that all information is accurate and complete.

The Firm does not maintain physical custody of client assets. Client assets are custodied by the custodians listed in Item 12. Nonetheless, the Firm is deemed to have custody of client funds for several reasons. First, the Firm has the ability to authorize the custodians to debit its annual management fee but otherwise has no ability to access client funds. Second, WPE is deemed to have custody of the assets of WMSPE. WMSPE is subject to an annual audit, and the financial information from the audit is distributed to WMSPE investors.

Finally, the Firm also has custody due to clients giving the Firm limited power of attorney in a standing letter of authorization (“SLOA”) to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC’s no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

Item 16 – Investment Discretion

In certain circumstances, clients hire us to provide discretionary asset management services. In which case, we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with the Firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.



Item 17 – Voting Client Securities

Where authorized by clients, Wescott Financial Advisory Group, LLC votes proxies on behalf of its clients. Wescott obtains recommendations from a third party as to how proxies should be voted. The third party, Broadridge, is an independent firm that specializes in analyzing shareholder voting issues, including the provision of widely-followed corporate governance policies and recommendations on specific matters. Wescott will follow the recommendations of Broadridge when those recommendations appear to be consistent with sound corporate governance and are designed to maximize shareholder value. We consider any material conflicts of interest that could arise as a result of voting client proxies are adequately mitigated by relying upon the recommendations of Broadridge. Where Wescott Financial Advisory Group is responsible for voting proxies on behalf of a client, the client may not direct the Firm's vote on a particular solicitation. Nonetheless, the client can revoke the Firm's authority to vote proxies.

Clients may request information regarding the specific proxies voted by contacting Carrie Delgott, Chief Compliance Officer at 215-979-1600 or cdelgott@wescott.com.

Item 18 – Financial Information

Under no circumstances do we require, or solicit, payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Wescott Financial Advisory Group has no such financial circumstances to report.

Wescott Financial Advisory Group has not been the subject of a bankruptcy petition at any time during the past ten years, or in its history.

